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Rec'd 8/21 1:09

DEPARTMENT OF STATE A/CDC/MR
Rec'd: August 20, 1958
REVIEWED BY J.M. Raz 6:08 DATE: May 6, 1982
RDS or XDS EXT. DATE 6/21 called Belcher
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E.O. SEC. 12356 (3)
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FROM: Benghazi

TO: Secretary of State

NO: 85, August 20, Noon

SENT DEPARTMENT 85; REPEATED INFORMATION TRIPOLI UNNUMBERED.

JOINT EMBASSY/USOM MESSAGE.

1. By letter August 12 Prime Minister outlined security measures taken by Government of Libya in recent Middle East crisis including redeployment Libyan army units, placing Federal and Provincial police forces on 24 hour emergency alert, strengthening intelligence apparatus. Continued state of emergency requires officers and police be stationed in barracks which requires feeding and special allowances. Increased expenditures were not contemplated Libyan budget 58/59 and letter requests from US "provisionally $1 million extraordinary assistance", i.e., budget support, to meet present and contingent costs such measures.

2. As previously reported, GOL has reacted promptly and affirmatively to heightened threat internal security since July 12. Prime Minister, in handing note to Ambassador, said maintaining police in Tripolitania alone in state emergency cost $1,960 per day just for food. However, tone of letter suggests GOL figures not firmly based and Embassy/USOM not in position verify actual additional costs.

3. Despite our desire afford maximum support Kubar government, particularly in relation internal security measures, do not believe this appropriate time to put forward such request. Estimates regarding Federal Government financial situation pointing to possible budget surplus 58/59, mainly attributable under-estimate customs receipts. This, together with favorable cash position, indicates GOL may be able meet emergency

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-2- 85, August 20, Noon from Benghazi, CORRECTED PAGE 2

emergency situation with resources available current fiscal year. We can defend this view more effectively when actual customs receipts for first half Libyan fiscal year 1959 are at hand.

4. Accordingly propose reply along following lines in effort defer consideration and place problem in context review overall economic position, rather than reject outright:

A. Express admiration effective GOL internal security measures;

B. Restate desire US cooperate fully in this effort safeguard Libyan independence.

C. Recall US assistance in crisis, i.e., airlift police arms and ammunition.

D. Suggest request most appropriately considered in context annual US-GOL aid talks which will review fully range GOL requirements.

E. Express hope timetable for talks be considerably advanced this year, i.e., October/November.

F. Encourage GOL in meantime meet these unforeseen requirements its current favorable cash position.

5. Request State/ICA/Washington comments soonest enable reply Prime Minister by August 25.

JONES

AAL: OES/2

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